

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



December 27, 1988

ALL-COUNTY LETTER NO. 88-162

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: Beneficiary Earnings Exchange Record (BEER)

REFERENCE:

The purpose of this letter is to inform counties that they will start receiving 1987 BEER information for county follow-up by the end of this year. Effective December 1988 we will be sending BEER information for AFDC and Food Stamp recipients to each county which must be worked per Manual of Policy and Procedures (MPP) Section 20-006.4. This information, which will be printed by the state for tax year 1987, will consist of wage information including; self-employment, out-of-state wages, military wages, federal wages, and California wages not previously reported to our State Employment Development Department (EDD). As you know the federally required Income and Eligibility Verification System (IEVS) requires computer matches with certain wage, unearned income and asset files. During the past year the Department of Social Services (DSS) has received BEER information from the Social Security Administration. Although we have not yet transmitted any BEER information to the counties, we have utilized it in DSS for analysis purposes.

Tolerance levels have been set at \$4,800 for AFDC and \$11,200 for NAFS. If combined BEER annual wages are below these levels no abstract will be sent to the county.

Attached you will find the Safeguard Procedures Report (Attachment 1) which is to be completed and returned within 30 days of receipt of the initial BEER data. A Safeguard Activity Report is due annually once the initial Safeguard Procedures

Report has been completed. A copy of this report and instructions will follow under separate cover at a later date. The completed Safeguard Procedures Report should be returned to:

Department of Social Services
Fraud Program Management Bureau
744 "P" Street M.S. 19-26
Sacramento, CA 95814

Attention: Maureen Paizs

The Internal Revenue Code stipulates certain safeguard conditions which must exist in order to meet minimum protection standards. They are as follows:

1. All BEER data must be kept in either a locked room or file when not in use, after normal working hours, weekends and holidays.
2. Data is not to be kept in case files, unless the case file storage meets #1 above.
3. If there is no exterior perimeter security then confidential destruct materials must be maintained in a locked container until destroyed.

Once the BEER information has been verified according to MPP Section 20-006.5 the verification may be filed and retained in the case record and the BEER abstract destroyed by confidential destruct procedures.

We are requesting that the counties designate a contact person for the purpose of receiving the BEER data and acting as a liaison for any questions or problems that may arise. A form (Attachment 2) has been provided for this purpose and should be returned no later than January 31, 1989 to the above address.

Also, attached is an example of the BEER abstract format (Attachment 3) with an explanation of the various fields.

Since the BEER information is equivalent to the current quarterly wage information used by the counties we do not anticipate a need for training. However, if it is believed that training is needed for implementation of BEER follow-up activities then your Fraud Program Management Bureau Analyst should be contacted at (916) 445-0031.

If there are any questions regarding this letter please contact Gary Scriven or Maureen Paizs of the Fraud Program Management Bureau at (916) 445-1851 or (916) 445-3417, respectively.

Sincerely,

A handwritten signature in dark ink, appearing to read "Robert A. Horel", is written over the typed name.

ROBERT A. HOREL
Deputy Director

cc: California Welfare Directors Association

Attachments

SAFEGUARD PROCEDURES REPORT
COUNTY OF _____
STATE OF CALIFORNIA

- A. Reporting/Participating Programs We have received IRS unearned income information for the following programs:
1. Aid to Families with Dependent Children program under Part A of Title IV of the Social Security Act
 2. Food Stamp program under the Food Stamp Act of 1977
- B. Required Report Information (Reference, Section VII of IRS Pub. 1075)
1. Name, Title and Telephone Number of the Official responsible for implementing safeguard programs and procedures:
 2. Authorizing Statutes: Section 2651 of the Deficit Reduction Act of 1984 (DEFRA) (Public Law 98-369) requires specific activities regarding income and eligibility verification procedures. The specific federal regulations which authorize states and counties to request and receive IRS unearned income information are:

7 CFR Part 272.8
45 CFR Part 205.55
 3. Agency Organization

The _____ organizational
(county welfare department title)
structure is enclosed as Attachment A. Also enclosed is Attachment B which is the organizational structure of the _____,
(unit or department title)
which has responsibility for providing and maintaining the safeguard procedures.

4. Flow of IRS Unearned Income Information

(The county will review the case file information against the IRS unearned income information to determine if the recipient accurately reported information on the statement of facts or monthly CA 7 or equivalent.)

At this time the flow of IRS information once it is received by _____ county, is as follows:

5. Access to the IRS information by other departments.

_____ county will not allow access to the IRS information by any other department.

6. IRS information commingled with other information kept by the department.

_____ county will not commingle the IRS information with any of its other applicant or recipient files.

7. Written procedures and other related memoranda concerning the safeguards applied to IRS information, reference item VII.7 of IRS Pub. 1075.

8. Safeguard procedures established and applied in the field offices of the participating programs.

9. Written procedures and other memoranda concerning the use of independent contractors in connection with any aspect of handling federal tax data, reference item VII.9 of IRS Pub. 1075.

_____ county has no independent contractors in connection with any aspect of handling federal tax data.

BEER LIAISON CONTACT PERSON(S)

County Name: _____

Mailing Address: _____

BEER Program Contact: _____

Telephone Number: (_____) _____

Will above persons represent all District Offices?

_____ Yes _____ No

If not, please attach list of all District Offices:

District: _____

BEER Contact: _____

Address: _____

Telephone Number: (_____) _____

Please return by January 31, 1989 to:

Department of Social Services
Fraud Program Management Branch
ATTN: Maureen Paizs
744 P Street, M.S. 19-26
Sacramento, CA 95814

STATE OF CALIFORNIA
REPORT IEV300

DEPARTMENT OF SOCIAL SERVICES
IEVS (2) RECIPIENT SSA WAGES (EEER)
FUN DATE: 10/20/88
(ACTIVE CASE)

ROUTE: 01-080-1111

CO DS EW

PAGE: 01

CASE INFORMATION
CO CASE-NO. FPU
01 1234567 1

CASE NAME
ALVIN

SSN	NAME	PERSON	DATE OF BIRTH	SEX	AID CODE
513-2361	LAST FIRST M. PATTI F	P5	06/12/74	F	09

EMPLOYEE NAME	SSN	SEX	DATE OF BIRTH	WAGE YEAR
LAST (2ND) F. M. P F	513-2361	F	06/74	87

EMPLOYER NAME AND ADDRESS	TYPE	EMPLOYER NO.	REPORTED WAGES
1. DEF BOX COMPANY 1234 LAST ST. OAKLAND CA. 95624	ANNUAL	44-3939383	\$ 2,087.65

EMPLOYEE NAME	SSN	SEX	DATE OF BIRTH	WAGE YEAR
LAST (2ND) F. M. J C	512-6666	M	11/44	87

EMPLOYER NAME AND ADDRESS	TYPE	EMPLOYER NO.	REPORTED WAGES
1. BETTERWAY CLEANING 846 MAIN ST. SALINAS, KS. 95736	SELF-EMPL.	22-9007653	\$ 9,837.75

TOTAL CASE WAGES \$ 11,925.40

***** CONFIDENTIAL INFORMATION *** DO NOT KEEP IN CASE FOLDER *****

***** END OF CASE *****

1. Case Name, Case Number
2. Date the State produced the report.
3. Information sent to SSA.
4. Employees name, SSN, sex, date of birth and year for which wages are reported.
5. Name and address of employer.
6. Wage type.
7. Federal Employer Identification Number.
8. Wages.
9. Name of second wage earner in case.
10. Amount of earnings for all wage earners.